

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, to which was referred Engrossed House Bill No. 1546, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 2, line 17, after "increments" delete "." and insert "**or smaller**
- 2 **increments that may be established by the rules of the board.**".
- 3 Page 3, delete lines 15 through 42.
- 4 Page 4, delete lines 1 through 17.
- 5 Page 5, line 12, delete "A" and insert "**Except as provided in**
- 6 **section 4(e) of this chapter, a**".
- 7 Page 7, delete lines 8 through 42, begin a new paragraph and insert:
- 8 "SECTION 3. IC 5-10.2-2-4 IS AMENDED TO READ AS
- 9 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) **Except as**
- 10 **provided in subsection (e)**, interest shall be credited and compounded
- 11 at least annually on all amounts credited to the member in the
- 12 guaranteed program. For the guaranteed program, the board shall
- 13 annually establish an interest credit rate equal to or less than the
- 14 investment income earned.
- 15 (b) **Except as provided in subsection (e)**, the market value of each
- 16 alternative investment program shall be allocated at least annually to
- 17 the members participating in that program.
- 18 (c) Contributions to the guaranteed program and the alternative
- 19 investment programs shall be invested as of the last day of the quarter
- 20 in which the contributions are received **or at an alternate time**
- 21 **established by the rules of each board.** Contributions to the

guaranteed program shall begin to accumulate interest at the beginning of the quarter after the quarter in which the contributions are received **or at an alternate time established by the rules of each board.**

(d) When a member retires or withdraws with a balance in the guaranteed program, a proportional interest credit determined by the board shall be granted for the period elapsed since the last interest date on that balance.

(e) **This subsection applies whenever the board is required to establish an interest or earnings rate in order to credit interest or earnings to an omitted contribution to a member's annuity savings account. As used in this subsection, "omitted contribution" means a contribution that is contributed by or on behalf of a member under IC 5-10.3-7-9 or IC 5-10.4-4-11 and that is received by the board after the time required by IC 5-10.3-7-12.5 or IC 5-10.4-7-6(b)(1). Notwithstanding any law to the contrary, each board may by rule specify:**

(1) a single composite interest rate and the period to which the rate applies for the purpose of computing the interest credits on a member's contributions (including omitted contributions) in the guaranteed fund; and

(2) a single composite earnings rate for the gain or loss in market value for each alternative investment program and the period to which the rate applies for the purpose of computing the gain or loss in market value on a member's contributions (including omitted contributions) in the alternate investment program.

SECTION 4. IC 5-10.2-2-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 12.5. (a) This section applies to reports, records, and contributions submitted after December 31, 2009, by an employer.**

(b) As used in this section, "electronic funds transfer" has the meaning set forth in IC 4-8.1-2-7(f).

(c) Except as provided in subsection (e), an employer shall submit through the use of electronic funds transfer:

(1) the employer contributions determined under section 11 of this chapter; and

(2) contributions paid by or on behalf of a member under IC 5-10.3-7-9 or IC 5-10.4-4-11.

(d) Except as provided in subsection (e), an employer shall submit in a uniform format through a secure connection over the Internet or through other electronic means specified by the board

the reports and records described in:

(1) IC 5-10.3-7-12.5, for the public employees' retirement fund; or

(2) IC 5-10.4-7-6, for the Indiana state teachers' retirement fund.

(e) An employer that is unable to comply with either subsection (c) or (d), or both, may request that the board grant a waiver of the requirement of subsection (c) or (d), or both. The employer must:

(1) state the reason for requesting the waiver;

(2) provide a date, not to exceed two (2) years from the date the employer is first subject to either the electronic funds transfer requirement or the electronic reporting requirement of this section, by which the employer agrees to comply with the requirement of subsection (c) or (d), or both; and

(3) sign and verify the waiver form.

(f) The board may:

(1) grant the employer's request for a waiver; and

(2) specify the date by which the employer is required to comply with the electronic funds transfer requirement or the electronic reporting requirement, or both.

(g) The board shall establish a waiver form consistent with this section.

(h) The board may establish or amend its rules or policies as necessary to administer this section.

SECTION 5. IC 5-10.2-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. ~~Suspension of Membership.~~ (a) A member who is not eligible for retirement or disability retirement may suspend ~~his the member's~~ membership if ~~he the member~~ terminates employment.

(b) After five (5) continuous years in which ~~he the member~~ performs no service, ~~his the member's~~ membership shall be automatically suspended by the board unless ~~he is the member has~~ vested status.

(c) The board may suspend a member's membership in the fund if:

(1) the member has not performed any service in a covered position during the past two (2) years;

(2) the member has not attained vested status in the fund; and

(3) the value of the member's annuity savings account is not more than ~~two hundred one thousand~~ dollars ~~(\$200)~~: **(\$1,000)**.

(d) On resuming service the member may claim as creditable service the period of employment before the suspension of membership, but only to the extent that the same period of employment

is not being used by another governmental plan for purposes of the member's benefit in the other governmental plan."

Delete pages 8 through 10.

Page 11, delete lines 1 through 21.

Page 13, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 7. IC 5-10.3-7-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12.5. **(a)** An employer or department ~~must~~ **shall** make the reports, membership records, or payments required by IC 5-10.3-6 or by sections 10 through 12 of this chapter:

(1) not more than thirty (30) days after the end of the calendar quarter, if applicable; ~~or~~

(2) another due date specified in sections 10 through 12 of this chapter; **or**

(3) an alternate due date established by the rules of the board.

(b) If the employer or department does not make the reports, records, or payments within ~~that the~~ time **specified in subsection (a):**

(1) the board may fine the employer or department one hundred dollars (\$100) for each additional day that the reports, records, or payments are late, to be withheld under IC 5-10.3-6-7; and

(2) if the employer or department is habitually late, as determined by the board, the board shall report the employer or the department to the auditor of state for additional withholding under IC 5-10.3-6-7.

(c) After December 31, 2009, an employer or department shall submit:

(1) the reports and records described in subsection (a) in a uniform format through a secure connection over the Internet or through other electronic means specified by the board in accordance with IC 5-10.2-2-12.5; and

(2) both:

(A) employer contributions determined under IC 5-10.2-2-11; and

(B) contributions paid by or on behalf of a member under section 9 of this chapter;

by electronic funds transfer in accordance with IC 5-10.2-2-12.5.

SECTION 8. IC 5-10.4-7-6, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) As used in this section, "net contributions" means the gross amount of a member's contributions minus any refund paid or due

1 a teacher.

2 (b) Not later than January 15, April 15, July 15, and October 15 of
3 each year **or an alternate due date established by the rules of the**
4 **board**, the treasurer of a school corporation, the township trustee, or
5 the appropriate officer of any other institution covered by the fund shall
6 make an employer report as provided in section 7 of this chapter, on a
7 form furnished by the board, to the board accompanied by a warrant for
8 payment of:

9 (1) the total net contributions to the fund made for or by the
10 members in the preceding three (3) months; and

11 (2) the employer contributions as required by section 11 of this
12 chapter.

13 (c) Amendatory reports to correct errors or omissions may be
14 required and made.

15 (d) **After December 31, 2009, the treasurer of a school**
16 **corporation, the township trustee, or the appropriate officer of any**
17 **other institution covered by the fund shall submit:**

18 (1) **the employer report described in section 7 of this chapter**
19 **in a uniform format through a secure connection over the**
20 **Internet or through other electronic means specified by the**
21 **board in accordance with IC 5-10.2-2-12.5; and**

22 (2) **the:**

23 (A) **employer contributions; and**

24 (B) **contributions paid by or on behalf of a member;**
25 **described in subsection (b) by electronic funds transfer in**
26 **accordance with IC 5-10.2-2-12.5.**

27 SECTION 9. IC 5-10.4-7-7, AS AMENDED BY P.L.72-2007,
28 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2009]: Sec. 7. (a) Not later than January 15, April 15, July 15,
30 and October 15 of each year **or an alternate due date established by**
31 **the rules of the board**, the treasurer of a school corporation, the
32 township trustee, or the appropriate officer of any other institution
33 covered by the fund shall make a report to the board on a form
34 furnished by the board and within the time set by the board.
35 Amendatory reports to correct errors or omissions may be required and
36 made.

37 (b) The report required by subsection (a) must include:

38 (1) the name of each member employed in the preceding reporting
39 period, except substitute teachers;

40 (2) the total salary and other compensation paid for personal
41 services to each member in the reporting period;

42 (3) the sum of contributions made for or by each member, except

- 1 for a retired member who may not make contributions during a
 - 2 period of reemployment as provided under IC 5-10.2-4-8(e);
 - 3 (4) the sum of employer contributions made by the school
 - 4 corporation or other institution, except for a retired member for
 - 5 whom or on whose behalf an employer may not make
 - 6 contributions during a period of reemployment as provided under
 - 7 IC 5-10.2-4-8(e);
 - 8 (5) the number of days each member received salary or other
 - 9 compensation for teaching services; and
 - 10 (6) any other information that the board determines necessary for
 - 11 the effective management of the fund.
 - 12 (c) As often as the board determines necessary, the board may
 - 13 review or cause to be reviewed the pertinent records of any public
 - 14 entity contributing to the fund under this article."
 - 15 Delete pages 14 through 25.
 - 16 Page 26, delete lines 1 through 6.
 - 17 Page 26, line 14, delete "shall be paid as a".
 - 18 Page 26, line 15, delete "single check and".
 - 19 Page 26, line 20, after "Amount" delete "of the" and insert "**Is:**".
 - 20 Page 26, line 21, delete "Check Is:".
 - 21 Renumber all SECTIONS consecutively.
- (Reference is to EHB 1546 as printed March 27, 2009.)

and when so amended that said bill do pass .

Committee Vote: Yeas 11, Nays 0.

Senator Kenley, Chairperson